



General Assembly

**Substitute Bill No. 378**

February Session, 2004

\* SB00378ET\_PD030504 \*

**AN ACT CONCERNING A MUNICIPAL ELECTRIC AGGREGATION  
DEMONSTRATION PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this  
2 section, "municipal aggregation unit" means a municipality, political  
3 subdivision of a municipality, or group of municipalities that serve as  
4 an electric aggregator for the purpose of negotiating the purchase of  
5 electric generation services from an electric supplier for all electric  
6 customers within the legal boundaries of the subject municipality,  
7 political subdivision of a municipality, or group of municipalities.

8 (b) On and after January 1, 2005, there shall be a municipal electric  
9 aggregation demonstration program that shall operate for a period of  
10 not more than five years. Such demonstration program shall allow  
11 customers to opt-out of the electric service offered by the municipal  
12 aggregation unit. The combined number of participants in the  
13 demonstration program shall represent not more than six hundred  
14 fifty megawatts of load in the state, as determined by the Department  
15 of Public Utility Control. Each municipal aggregation unit that seeks to  
16 participate in the demonstration program shall file with the  
17 department a letter of intent, draft ordinance and such other  
18 documentation as the department may require not later than August 1,  
19 2004. The department may establish additional filing deadlines as it

20 deems appropriate. The department shall review such filings to ensure  
21 that the municipalities participating in the demonstration program  
22 represent a diverse range of population sizes. Each municipal  
23 aggregation unit shall retain the services of a firm having expertise in  
24 electric aggregation and energy procurement to provide assistance  
25 with its participation in the demonstration program, including, but not  
26 limited to, the development of its request for proposal. Municipalities  
27 or political subdivisions of municipalities that are served by municipal  
28 electric utilities that have declined to participate in the competitive  
29 electric generation market prior to January 1, 2004, shall not be eligible  
30 to participate in this demonstration program.

31 (c) A municipality shall initiate a process to form or join a municipal  
32 aggregation unit by the adoption of an ordinance.

33 (d) The municipal aggregation unit shall issue a request-for-  
34 proposal to licensed electric suppliers for the provision of electric  
35 generation service and select a bidder upon the basis of a written  
36 analysis that the economic benefits will be equal to or exceed the  
37 current or projected economic benefits of receiving electric generation  
38 services through transitional standard offer service or standard service.  
39 The municipal aggregation unit shall not be subject to the provisions of  
40 section 16-245s of the general statutes, as amended.

41 (e) Not later than June 15, 2004, the Department of Public Utility  
42 Control shall open a proceeding to develop a set of demonstration  
43 program requirements which shall include, but not be limited to, the  
44 manner by which electric customers are provided (1) notice of the  
45 initiation of a demonstration program, (2) information regarding rates  
46 and environmental characteristics, (3) information regarding contract  
47 terms and conditions, and (4) notice regarding a customer's right to  
48 cancel service. Electric customers shall be given not less than sixty days  
49 notice prior to the initiation of a demonstration project.

50 (f) Not later than January 1, 2007, the Department of Public Utility  
51 Control, in consultation with the Office of Consumer Counsel, shall

52 submit, in accordance with section 11-4a of the general statutes, a  
53 report regarding the performance of the municipal electric aggregation  
54 demonstration program to the joint standing committee of the General  
55 Assembly having cognizance of matters relating to energy. The report  
56 shall also include findings and recommendations regarding whether or  
57 not the time period for this demonstration program should be  
58 extended, and whether or not the program should be expanded state-  
59 wide.

60 Sec. 2. Subdivision (31) of subsection (a) of section 16-1 of the  
61 general statutes is repealed and the following is substituted in lieu  
62 thereof (*Effective from passage*):

63 (31) "Electric aggregator" means (A) a person, municipality,  
64 municipal aggregation unit, as defined in section 1 of this act, or  
65 regional water authority that gathers together electric customers for  
66 the purpose of negotiating the purchase of electric generation services  
67 from an electric supplier, or (B) the Connecticut Resources Recovery  
68 Authority, if it gathers together electric customers for the purpose of  
69 negotiating the purchase of electric generation services from an electric  
70 supplier, provided such person, municipality, unit or authority is not  
71 engaged in the purchase or resale of electric generation services, and  
72 provided further such customers contract for electric generation  
73 services directly with an electric supplier or, in the case of a municipal  
74 aggregation unit, such customers contract for electric generation  
75 services with an electric supplier in accordance with the provisions of  
76 section 1 of this act, and may include an electric cooperative  
77 established pursuant to chapter 597.

78 Sec. 3. Section 16-245o of the general statutes, as amended by  
79 sections 12 and 13 of public act 03-135, is repealed and the following is  
80 substituted in lieu thereof (*Effective from passage*):

81 (a) To protect a customer's right to privacy from unwanted  
82 solicitation, each electric company or electric distribution company, as  
83 the case may be, shall distribute to each customer a form approved by

84 the Department of Public Utility Control which the customer shall  
85 submit to the customer's electric or electric distribution company in a  
86 timely manner if the customer does not want the customer's name,  
87 address, telephone number and rate class to be released to electric  
88 suppliers. On and after July 1, 1999, each electric or electric distribution  
89 company, as the case may be, shall make available to all electric  
90 suppliers customer names, addresses, telephone numbers, if known,  
91 and rate class, unless the electric company or electric distribution  
92 company has received a form from a customer requesting that such  
93 information not be released. Additional information about a customer  
94 for marketing purposes shall not be released to any electric supplier  
95 other than a municipal aggregation unit unless a customer consents to  
96 a release by one of the following: (1) An independent third-party  
97 telephone verification; (2) receipt of a written confirmation received in  
98 the mail from the customer after the customer has received an  
99 information package confirming any telephone agreement; (3) the  
100 customer signs a document fully explaining the nature and effect of the  
101 release; or (4) the customer's consent is obtained through electronic  
102 means, including, but not limited to, a computer transaction.

103 (b) All electric suppliers except municipal aggregation units shall  
104 have equal access to customer information required to be disclosed  
105 under subsection (a) of this section. No electric supplier except a  
106 municipal aggregation unit shall have preferential access to historical  
107 distribution company customer usage data.

108 (c) No electric or electric distribution company shall include in any  
109 bill or bill insert anything that directly or indirectly promotes a  
110 generation entity or affiliate of the electric distribution company. No  
111 electric supplier shall include a bill insert in an electric bill of an  
112 electric distribution company.

113 (d) All marketing information provided pursuant to the provisions  
114 of this section shall be formatted electronically by the electric company  
115 or electric distribution company, as the case may be, in a form that is  
116 readily usable by standard commercial software packages. Updated

117 lists shall be made available within a reasonable time, as determined  
118 by the department, following a request by an electric supplier. Each  
119 electric supplier seeking the information shall pay a fee to the electric  
120 company or electric distribution company, as the case may be, which  
121 reflects the incremental costs of formatting, sorting and distributing  
122 this information, together with related software changes. Customers  
123 shall be entitled to any available individual information about their  
124 loads or usage at no cost.

125 (e) Each electric supplier shall, prior to the initiation of electric  
126 generation services, provide the potential customer with a written  
127 notice describing the rates, information on air emissions and resource  
128 mix of generation facilities operated by and under long-term contract  
129 to the supplier, terms and conditions of the service, and a notice  
130 describing the customer's right to cancel the service, as provided in this  
131 section. No electric supplier shall provide electric generation services  
132 unless the customer has signed a service contract or consents to such  
133 services by one of the following: (1) An independent third-party  
134 telephone verification; (2) receipt of a written confirmation received in  
135 the mail from the customer after the customer has received an  
136 information package confirming any telephone agreement; (3) the  
137 customer signs a document fully explaining the nature and effect of the  
138 initiation of the service; or (4) the customer's consent is obtained  
139 through electronic means, including, but not limited to, a computer  
140 transaction. A customer who has a maximum demand of five hundred  
141 kilowatts or less shall, until midnight of the third business day after  
142 the day on which the customer enters into a service agreement, have  
143 the right to cancel a contract for electric generation services entered  
144 into with an electric supplier. The provisions of this subsection shall  
145 not apply to the customers of municipal aggregation units.

146 (f) An electric supplier shall not advertise or disclose the price of  
147 electricity in such a manner as to mislead a reasonable person into  
148 believing that the electric generation services portion of the bill will be  
149 the total bill amount for the delivery of electricity to the customer's  
150 location. When advertising or disclosing the price for electricity, the

151 electric supplier shall also disclose the electric distribution company's  
152 average current charges, including the competitive transition  
153 assessment and the systems benefits charge, for that customer class.

154 (g) Each electric supplier shall comply with the provisions of the  
155 telemarketing regulations adopted pursuant to 15 USC 6102.

156 (h) Any violation of this section shall be deemed an unfair or  
157 deceptive trade practice under subsection (a) of section 42-110b.

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| This act shall take effect as follows: |                     |
| Section 1                              | <i>from passage</i> |
| Sec. 2                                 | <i>from passage</i> |
| Sec. 3                                 | <i>from passage</i> |

**ET**

**Joint Favorable Subst. C/R**

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